



Working Lands Alliance

A Project of American Farmland Trust

To: Appropriations Committee

Date: Feb 17, 2009

Testimony in regards to: Dept. of Agriculture and Loss of Community Investment Act Funds

Submitted by: Jiff Martin, Project Director, Working Lands Alliance

The following testimony is submitted on behalf of the Working Lands Alliance, a statewide coalition of 200 businesses and non-profits as well as over 600 individuals committed to increasing the state's commitment to farmland preservation.

Enacted in 2005, Public Act 05-228 (also known as the Community Investment Act) was heralded as a dramatic success, creating a dedicated revenue stream to protect and preserve the unique character of Connecticut for future generations. Public willingness to accept this fee (\$30 deed recording fee) was based on the promise that this revenue would be permanently directed to farmland, open space, historic preservation, and affordable housing. 25% of these funds--approximately \$3.5 million per year--are dedicated for farmland preservation and agriculture viability programs. Governor Rell's proposal to redirect and securitize \$12m of this dedicated revenue stream in FY10 and FY11. **See attached visual summary of impacts on agriculture and farmland preservation.**

WLA strongly objects to the loss of Community Investment Act funds (CIA) which will deeply harm the state's ability to protect farms.

- 1) The availability of revenue from the CIA account has expanded the program's ability to assure farmland owners as well as the Federal government that funding is available. The timing of bonding allocations is highly unreliable, while CIA funds have a quarterly distribution rate that creates much needed predictability for a program dealing in time-sensitive land transactions. Since 2005 the program has protected 8 farms (1,022 acres) using CIA funds.
- 2) CIA funds currently pay for three of five full time positions, as well as support staff in the Attorney General's office to review legal contracts for the program. Loss of CIA funding will mean a reduction in program capacity by almost 75%. The inevitable delays to processing farm applications will be a dramatic step backwards. The program is facing an all-time high demand from farmers wishing to sell their development rights to the state, with over 50 applications currently in the pipeline.
- 3) The Dept. of Agriculture relies on CIA funds for non-capital costs (such as surveys and appraisals) to create greater flexibility and efficiency in processing applications. Program capacity will further be reduced by undermining this flexibility in processing applications quickly.
- 4) CIA funds are used for the very popular and highly successful CT Agriculture Viability Grants program which distributes \$1m in matching grants annually. So far these matching grants have to 57 producers, 18 non-profits, and 58 municipalities. In addition to grants to support farm businesses, many communities have used these funds to help plan for farmland preservation. A loss of these grants means eliminating state support to towns planning for agriculture.
- 5) This year Connecticut has the potential of matching \$4 - \$8m in Federal Farmland Preservation funds from the 2008 Farm Bill. This opportunity to leverage state resources with federal funds has never been better! In fact, most of the CIA funds have demonstrated tremendous leveraging power. Since 2005 the Dept. of Agriculture has received approximately \$14.5m, and has leveraged an additional \$7.4 million in cash from towns, farmers, and the Federal government. Furthermore, another \$2.7 million of in-kind match was leveraged from non-profits, towns, and the Federal government. This implies a TOTAL leveraging in agriculture sector of over \$10 million in just three years!!

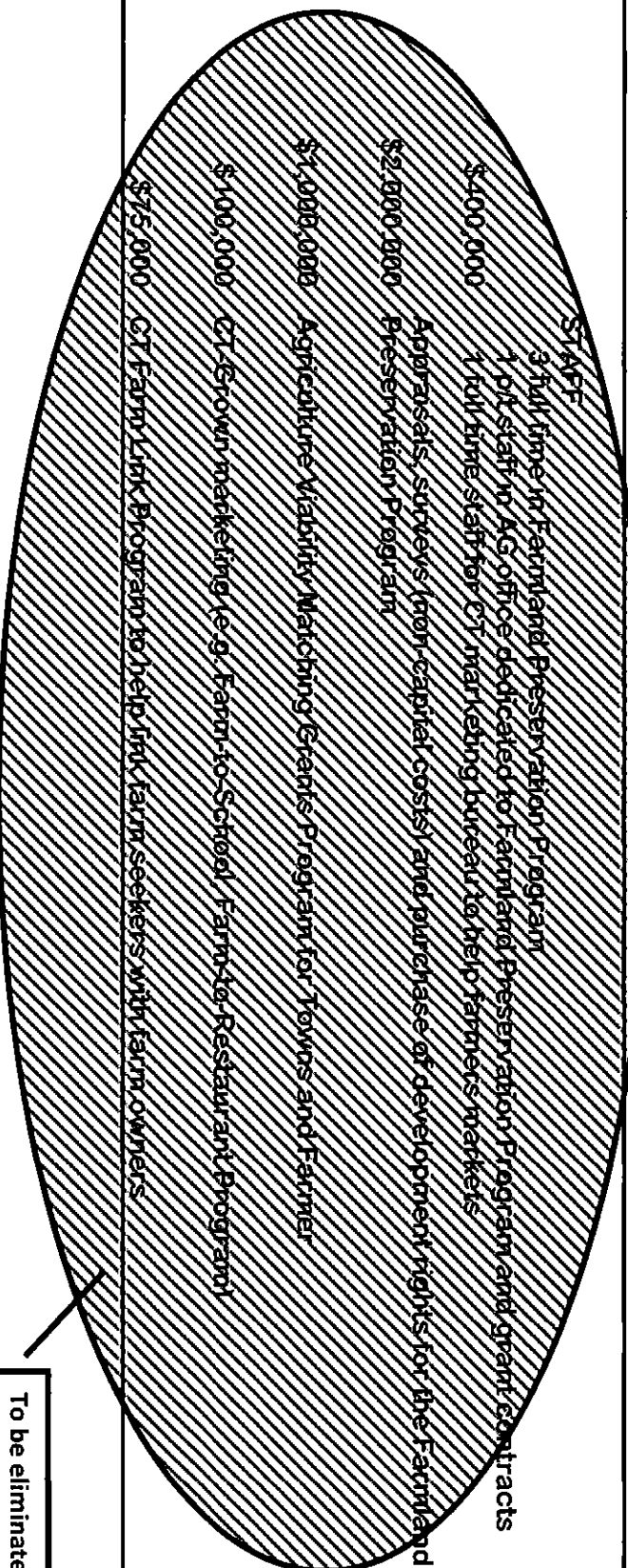
Farmland Preservation \$\$

How do we pay to protect farms and support farm businesses?

Agriculture

Bonding \$10,000,000 Farmland Preservation Program – to purchase development rights on prime soils; nearly all projects cost share with Federal Farmland Preservation funds; released in two \$5 million lump sum allocations annually (PA 07-162). \$4 to \$8million in Federal Funds avail in 2009.

Community Investment Act



To be eliminated
by SB 828, Sec 1w



Prepared by Working Lands Alliance, February 2009.
 Working Lands Alliance is a project of American Farmland Trust/ 775 Bloomfield Avenue/ Windsor, CT 06095/ 860-683-4230